MRTP Companies to set up industries in the backward areas;

(b) if so, what are the broad outlines thereof; and

(c) whether while giving licences for such new ventures, Government also propose to consider the backwardness of Rajasthan State, as many of its backward districts do not have any viable employment-oriented industry?

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETRO-CHEMICALS (SHRI R. K. JAICHANDRA SINGH): (a) and (b) It has been the policy of the Government to encourage industrial development in backward areas and in pursuance of this policy, Government have announced, from time to time, a number of incentives in this regard. These include the following:—

1. Under the Central Investment Subsidy Scheme, MRTP Companies, among others, are entitled to subsidy in category 'A' & 'B' districts at the rate of 25 per cent and 15 per cent subject to a maximum of Rs. 25 lakhs and Rs. 15 lakhs respectively.

2. With a view to encourage more electronic industries in hill districts in category 'A', it has been decided that the maximum ceiling of Central Investment Subsidy Scheme would be raised to Rs. 50 lakhs at the rate of 25 per cent.

3. In addition, Transport Subsidy is also admissible to MRTP Companies, among others, for setting up industries in specified areas.

4. Convertability Clause imposed by the Term Landing Institutions will not apply to Nucleus Plants set up by MRTP/FERA Companies located in category A, B & C districts/areas for a period of 7 years from the date of sanction or 5 years from the date of disbursement whichever is later.

5. MRTP Companies are also permitted to set up non-Appendix I industries which are not reserved for small scale sector with the reduced export obligation of 50 per cent in Category 'B' and 'C' districts and 30 per cent in Category 'A' districts as against 60 psr cent export obligation applicable to other areas.

(c) while considering applications for grant of industrial licences, the proposed location of the undertaking in specified backward areas is given due consideration and this would apply to the specified backward areas in the State of Rajasthan also as in other States.

Starting of Industrial units in backward areas

2121. SHRI NIRMAL CHATTERJEE: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that despite the lure of package of assistance and subsidies available for starting indutrial units in backward regions, there has been some sort of reluctance on the part of prospective investors to move to these areas in big way;

(b) if so, what are the reasons for such reluctance;

(c) whether it is due to lack of other contributory facilities like transport, manpower both skilled and unskilled, marketing facilities, shortage of raw materials, etc.;

(d) if so, whether Government have gone into the whole matter to find some solution to the problem;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

THE MINISTER OF STATE IN THE DEPARTMENT OF CHEMICALS AND PETRO-CHEMICALS (SHRI R. K. JAICHANDRA SINGH): (a) to (f) Industrialisation of backward areas is a continuous process and to speed up industrialisation of these areas, the Central Government has provided a number of

incentives/concessions like Central Investment Subsidy, Transport Subsidy, Concessional Finance etc. which have acted as a catalyst in attracting industries to backward areas as would be evident from the following No. of Letters of Intent (LI), Industrial licences (IL) and DGTD Registrations as also the amount reimbursed under the Central subsidy and Transport subsidy.

Year	LI	% age	IL	%age	DGTD Regn.	% age
1983	664	62.94	317	29.49	1155	57.06
1984	627	58.93	323	35.69	1106	59.65
1985 (Jan-Sept)	578	52.12	348	43.72	651	57.66

Year	Central Subsidy & Transport subsidy
1983-84	53.20 Crores
1984-85	85.00 Crores
1985-86 (upto 30-11-85)	65.10 Crores

Thus it may be seen that the entrepreneurs are being encouraged to set up industries in backward areas.

The Government has also drawn up a scheme to assist ths State Govts. for the development of infrastructure in each No Industry District. Under the scheme the Central Govt. provides assistance limited to 1|3rd the total cost of infrastructural development in one or more identified Growth Centres in each No Industry District subject to a maximum of Rs. 2 crores.

Bleak future of LPG cylinder manufacturing units

2122. SHRI MUKHTIAR SINGH MALIK: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that most of the LPG cylinder manufacturing units in the country are in dumps due to the short-sighted policies of Government and that many of the LPG units are languishing, apparently with little possibiltiy of diversification they face a bleak future; and

(b) if so whether Government propose to help this Industry by purchasing the cylinders from the Indian manufacturing units so as to save them and if not, what are the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI NAWAL KISHORE SHARMA): (a) Since the installed capacity for cylinder manufacturing in the country is in excess of the requirement of the Oil Industry, the manufacturing units are not able to utilise their full capacity. The cylinder manufacturers have been apprised of the situation and some of them are already taking steps to diversify their items of production.

(b) Orders have been placed by the oil industry on indigenous manufacturers in respect of the cylinders required in 1985-86.